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FOOD FOR OUR FIGHTING FORCES

THE

AGRICULTURAL

SITUATION

APRIL 1942

A Brief Summary of Economic Conditions

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IN THIS ISSUE

Page

War Production and Conservation.....	Dillon S. Myer	1
Commodity Reviews.....	Frank George	3-11
Eighty Hours—and More—on the Farms.....	R. S. Washburn and R. C. Tetro	11
Tomatoes for War.....	William Kling	14
Soybeans for Oil In 1942.....	Omer W. Herrmann	15
More Cows on Farms.....		18
That Summer Slump.....		19
Ballots on Wheat Marketing Quotas.....	Fred. S. Wallace	21

War Production and Conservation

AMERICAN AGRICULTURE is face to face with the biggest, toughest job in the history of farming. This year, next year, and for as many years thereafter as necessary, America's farmers and America's farm lands must produce more food, more oils and fats, and more fiber than anyone ever dreamed of before. It must be done to beat Hitler, the Japanese war lords, the Fascists of Italy.

America's farmers and farm lands must produce gigantic amounts of Food for Freedom—represented by the Nation's food production goals—because we can't win the war without food. The plain, hard fact is that we must not only feed and clothe our soldiers, sailors, marines, and airmen, but feed and clothe our own industrial workers, the rest of the United States population, a sizable portion of the armed forces and population of our allies, and on top of all that provide a reservoir of food for reconstruction days after the war.

This is a job demanding the most we have in efficiency of work and planning. We must be as relentlessly thorough on our farm lands as we are in our bomber plants. That means planning for 1943 and 1944 as we produce in 1942. That means producing the conservation way.

TOO many people associate conservation with some passive, preservative action aimed at restoring a former status quo. Such an interpretation of modern soil conservation farming is a terrible libel. Conservation farming as it has been developed during the past ten years is the most dynamic, efficient type of farming this country has yet known. With it, America's farmers will do their part in war production. Without it, no one can predict what will happen.

Positively stated in terms of the present, conservation means the most efficient use of our land now and in the immediate future. It means increasing yields per acre and per animal unit *this year*. It means paving the way for still greater increases next year and the next.

The simple fact is that, unless we have more positive conservation on more farms than ever before, we shall be unable to reach our 1942 production goals, and we shall fall short on the added demands certain to be made as the war advances.

Think back to agriculture's experience in the first World War. It was a short war for us—we were in it only 19 months—and yet agriculture was just barely able to do what was asked of it. And this was done only by disregarding the future, recklessly plowing up acres that should not have been in cultivation and throwing everything we had into a gamble that it would be a short war. We won on that, but we might not have been so lucky if it had been a long war.

ANY number of examples can be cited to show how soil conservation measures can step up production at once—this year. Consider tomatoes, for example. Tomatoes are one of the most urgently needed war crops. Obviously, anything that can be done to increase the tomato yield per acre is a positive contribution to the war effort. And one of the most promising means of getting more

tomatoes is through mulching. One can almost double the tomato yield, in addition to improving both size and quality, by mulching tomato vines with 3 tons of straw per acre.

Or consider the case of green silage, something that is of great importance to dairy farmers in the realization of dairy production goals. Plots of corn drilled up and down the slope lose nearly twice as much water and approximately 10 times as much soil as plots of corn drilled across the slope—and the tonnage produced per acre is much lower than can be obtained from land that is contour-cultivated.

A farmer in Minnesota increased his butterfat production almost 14 percent per cow by planting different varieties of grasses to maintain good pasture throughout the season. * * * A rancher in Wyoming, by improving his watering and grazing system, managed to get an additional pound of wool per sheep, and his lambs averaged eight pounds heavier. That is something we ought to keep in mind as we try to make up for imports of wool lost because of the war.

FOR years conservation methods such as these have been an important part of the national farm program and of Federal and State recommendations. Through the Department and the land-grant colleges, millions of farmers in all parts of the United States have been persuaded to adopt these practices and others like them as sound helps to better farming, although here we must admit that popular acceptance has come slowly and has not yet reached as high a level as the merits of the case warrant. But, once the farmer sees conservation as a vital aid to immediate, practical production, it becomes a basic part of his farm operations.

There is a realistic truth, I think, in my illustrations of ways in which many soil conservation practices can be brought into a vital, down-to-earth relationship to current plans for pro-

duction. You know it, and every farmer who has ever used these practices also knows it.

It seems to me the situation comes down to this: We must strengthen and vitalize the conservation practices that mesh into the war production drive now in progress. And the conservation practices which will not directly contribute to the war effort this year or in the near future, must be set aside for the duration. This calls for a thoroughgoing analysis of present practices by all of us—departmental staff experts, field workers, farmer-administrators of action programs—so that our determinations may be made with a maximum benefit to the present war production effort in all needed commodities and all areas.

I see no great obstacle to such a determination provided we always keep in mind the objectives of balanced, maximum, wartime production. This is the paramount consideration which must govern all our thinking and decisions. The shift of emphasis from the extreme long-range to the immediate objectives involves a psychological change—a recognition that unless we do what is needed to win the war there will be little prospect indeed for the survival of all we have attempted to build. First things must come first—and today!

DILLON S. MYER,
*Acting Administrator,
 Agricultural Conservation and
 Adjustment Administration.*

Commodity Reviews

PLANTINGS: Intentions

FARMERS are planning to put in record-breaking acreages of many crops this spring in response to the Nation's call for food. Biggest increases over a year ago will be in acreages of oil crops—peanuts, soybeans, and flaxseed. Total acreages of feed crops will be increased to provide for the high-record numbers of livestock and poultry on farms and ranches, and to replenish granary supplies. Increases are indicated for all major crops except wheat and grain sorghums this year over last.

In a report on prospective plantings for 1942 the Crop Reporting Board stated on March 24:

"There will be unusually large shifts between crops and a 3 to 4 percent increase over last year in the total crop acreage according to the annual March survey of farmers' 'intentions to plant.' Judging from the reports received from 77,000 farmers, outstandingly large acreages will be planted to crops that can be crushed for the vegetable oils which are now urgently

needed. Thus, the indications are that the acreage planted to soybeans for all purposes will be increased 41 percent to 14 million acres, that the acreage of peanuts will be increased 66

United States: Planted Acreages 1930-39 and 1941, and Prospective Plantings for 1942

Crop	Average 1930- 39	1941	Indi- cated 1942	1942 as per- cent of 1941
	<i>Thou- sands</i>	<i>Thou- sands</i>	<i>Thou- sands</i>	
Corn, all.....	101,081	87,164	91,348	104.8
All spring wheat.....	21,762	16,741	15,287	91.3
Durum.....	3,418	2,597	2,201	84.8
Other spring.....	18,344	14,144	13,086	92.5
Oats.....	39,196	39,363	40,377	102.6
Barley.....	12,713	15,080	18,208	120.7
Flaxseed.....	2,406	3,367	4,037	119.9
Rice.....	943	1,257	1,454	115.7
All sorghums.....	12,157	18,169	17,070	94.0
Potatoes.....	3,365	2,793	2,814	100.7
Sweetpotatoes.....	882	759	776	102.2
Tobacco.....	1,676	1,350	1,446	107.1
Beans, dry edi- ble.....	1,942	2,304	2,412	104.7
Soybeans ¹	5,467	9,996	14,085	140.9
Cowpeas ¹	2,647	3,780	3,898	103.1
Peanuts ¹	1,951	2,498	4,150	166.1
Tame hay ²	56,102	59,232	60,831	102.7
Sugar beets.....	883	795	983	123.6

¹ Grown alone for all purposes. Partly duplicated in hay acreage.

² Acreage harvested.

percent to more than 4 million acres and flaxseed increased 20 percent to 4 million acres.

"To provide for the record numbers of livestock and poultry on hand farmers are also planning to increase the total acreage in feed crops. The indicated changes from last year's plantings include a 5 percent increase in corn to 91 million acres, a 3 percent increase in oats, a 21 percent increase in barley, 3 percent more land in tame hay, and 6 percent less land used for sorghums. If these plans are carried out the total acreage to be planted to feed grains will be increased 6 percent which about balances the 7 percent increase during 1941 in grain consuming livestock, including poultry, and the similar increase expected in 1942. There would be also a record acreage of tame hay and forage. If the usual acreage of wild hay is cut, the total hay and forage acreage would seem to be ample for requirements under ordinary weather conditions.

"Other large changes from last year that are now in prospect are a 24 percent increase in the acreage planted to sugar beets to a near record total and a 16 percent increase over last year's large acreage of rice. Smaller, but important increases of 5 and 3 percent are indicated for dry beans and cowpeas which would give record acreages of each. Potatoes and sweetpotatoes show increases of 1 percent and 2 percent and tobacco 7 percent over last year, but even with these increases the acreage of each of these crops would be somewhat smaller than has usually been grown. Tomatoes and peas for canning, onions and early cabbage will be grown on much larger acreages than last year, but current reports on other vegetables do not yet indicate any material changes in their total."

COTTON: Long Staple

Secretary Wickard asks the Nation's cotton farmers to plant their full national acreage allotment of about 27.4 million acres of cotton this year.

But he urges that as much of this allotment as possible be planted to medium and longer staple varieties so as to assure adequate supplies needed to meet military requirements.

The secretary emphasizes that this does not mean that allotments will be increased in 1942, or that farmers are being asked to exceed cotton allotments. Farmers last year underplanted the national cotton allotment by some 4 million acres. The 1941 crop of 11 million bales was produced from 23.3 million planted acres.

"It is especially important," Secretary Wickard says, "that farmers plant their full cotton allotments in those areas which normally produce cotton of a staple length of 1 inch or better, and where the planting of the full allotment will not reduce the acreage planted to other oil crops. Besides helping to meet the need for longer staple lengths, increased cotton production in these areas will add considerably to our supply of vegetable oils."

Citing the need for more long staple cotton, the Secretary said that the carry-over of American cotton in the United States on August 1 next will be about 10 million bales, of which it is estimated that about 6 million bales will be under 1 inch in staple length. Increased production of military goods is consuming more than the normal volume of the longer staple and higher-grade cottons.

Domestic demand for cotton continues strong. A further increase in domestic mill consumption is expected this year.

PRICES: Down

Prices received and prices paid by farmers have moved in opposite directions since the beginning of 1942. Prices received by farmers for crops and livestock products have gone down on average, prices paid for commodities and services used in agricultural production have gone up. On the higher side are the prices paid for feed

and the wages paid for farm labor, on the lower side the prices received for dairy products, chickens and eggs, and miscellaneous products. Ratio of prices received to prices paid was 99 in March, compared with 102 in January, and with 83 in March last year.

Index Numbers of Prices Received and Paid by Farmers

1910-14=100

Year and month	Prices received	Prices paid	Buying power of farm products ¹
1941			
January.....	104	123	85
February.....	103	123	84
March.....	103	124	83
April.....	110	124	89
May.....	112	125	90
June.....	118	128	92
July.....	125	130	96
August.....	131	133	98
September.....	139	136	102
October.....	139	139	100
November.....	135	141	96
December.....	143	142	101
1942			
January.....	149	146	102
February.....	145	147	99
March.....	146	148	99

¹ Ratio of prices received to prices paid.

² Revised.

Prices of Farm Products

Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909-July 1914	March average 1910-14	March 1941	February 1942	March 1942	Parity price March 1942
Cotton, lb.....	cents 12.4	12.4	9.72	17.80	18.06	18.35
Corn, bu.....	64.2	61.3	57.1	76.6	78.4	95.0
Wheat, bu.....	88.4	88.9	71.8	104.9	105.1	130.8
Hay, ton.....	11.87	12.06	7.93	10.76	11.03	17.57
Potatoes, bu.....	cents 69.7	67.5	¹ 53.9	104.5	103.9	² 104.7
Oats, bu.....	39.9	40.3	33.7	52.0	51.9	59.1
Rice, bu.....	81.3		98.1	161.8	168.6	120.3
Peanuts, lb.....	do 4.8	4.8	3.46	5.44	6.03	7.10
Tobacco:						
Fire-cured, types 21-24 lb.....	do 13.6		9.3	13.3	12.9	12.5
Burley, types 31 lb.....	do 22.2			24.4		26.2
Maryland, types 32 lb.....	do 22.9			30.0		21.1
Air-cured, dark, types 35-37 lb.....	do 11.2		7.9	11.1	11.8	10.3
Cigar binder, types 41-55 lb.....	do 21.0		12.2	13.2	13.5	19.3
Apples, bu.....	dollars .96	1.11	.97	1.20	1.30	1.42
Beef cattle, cwt.....	do 5.21	5.29	¹ 8.27	9.93	10.26	7.71
Hogs, cwt.....	do 7.22	7.41	¹ 7.06	11.64	12.34	10.69
Chickens, lb.....	cents 11.4	11.4	14.4	17.4	18.0	16.9
Eggs, doz.....	do 21.5	19.6	16.4	27.5	25.8	² 26.1
Butterfat, lb.....	do 26.3	27.1	30.7	36.2	35.7	³ 40.4
Wool, lb.....	do 18.3	18.7	33.4	37.1	38.3	27.1
Veal calves, cwt.....	dollars 6.75	6.92	¹ 9.71	12.05	12.23	9.99
Lambs, cwt.....	do 5.87	6.22	¹ 8.92	10.48	10.36	8.69

¹ Revised.

² Post-war base.

³ Base price crop years, 1919-28.

⁴ Base price crop years, 1934-38.

⁵ Adjusted for seasonality.

FARM LABOR: Peak

Farm labor requirements are rising to a seasonal peak for spring work, with prospects that farmers will find slightly fewer workers and will have to pay higher wages this year than last. Competent observers believe, however, that the available supply of labor used with greater efficiency will be sufficient to put in the increased acreages of food and feed crops needed this year.

A tightening of the farm labor supply situation is likely to come at harvest time when farmers will face increased competition of the war industries for labor. But farmers by and large assure Government in this time of need for more food, that "if we can get the crops produced, we'll get them harvested." To do this job will mean heavier work for all—for hired hands and farm family workers alike.

The pressing need for food in abundance will probably see many new workers on the farms this year—persons who have never before worked in agriculture. There will be considerable reliance upon high school boys in some areas to help harvest the crops, and upon the cooperation of public and private agencies everywhere to recruit farm workers of all kinds. In practically every agricultural county there will be a farm placement office of the United States Employment Service, continuously active in trying to bring farm work and farm workers together.

Considering the tight labor supply and demand situation, it seems certain that farm wages will average higher this year than last—possibly 20 percent higher.

WHEAT: "Volunteer"

Much has been heard of "volunteer" wheat in recent months, and the Department of Agriculture has announced changes in Triple-A regulations designed to make the maximum use of this grain. ("Volunteer" wheat is

from kernels which shattered and fell to the ground during the 1941 harvest and were then germinated by fall rains. This year the volunteer growth has been more vigorous than usual, large acreages occurring in a group of Great Plains States including parts of Kansas, Oklahoma, northern Texas, Nebraska, Colorado, and Montana.)

The Department has announced that farmers who choose to harvest their volunteer wheat will be able to earn both agricultural conservation and parity payments provided that (1) their acreage of seeded wheat is within their 1942 allotments and they comply with other provisions of the AAA program; (2) they store their volunteer wheat on the farm as long as it is subject to a marketing quota penalty, and (3) they seed within their 1943 wheat acreage allotments.

In computing conservation payments, farmers will be permitted to count pasturing of volunteer wheat, pasture followed by fallow, and pasture followed by feed crops as conservation practices. Volunteer acreage cut for hay or harvested for grain, however, cannot be included under conservation acreage. Payments will be held until actual 1943 compliance has been made. Farm-stored volunteer wheat will be eligible for a Government wheat loan at 50 percent of the usual rate.

MILK: Production

Milk is flowing in rising seasonal tide—to fluid markets and to processing plants. The total is the largest on record; it is about 4 percent larger to date this year than last, mainly on account of the larger number of cows on farms. Production per cow—as a national average—has been about 1 percent larger this year to date than last. (In New York, production per cow was about 8 percent larger this March 1 than last; in Wisconsin the increase was about 6 percent.)

Production of manufactured dairy products was considerably larger this winter than last, but a much larger ex-

pansion in production of dry skim milk is needed during the remainder of this year. Production of evaporated milk was 82 percent larger this January than last, of American cheese 52 percent larger, and of dry skim milk for human consumption 43 percent larger. Butter production was 11 percent smaller. BAE estimated in March that a considerable expansion in production of dry skim milk is needed to meet domestic and lend-lease requirements.

BAE added that "prices received by farmers for whole milk at wholesale probably will continue considerably higher than a year earlier during most of 1942. For the year as a whole, prices received by farmers for butterfat also may average higher than in 1941, but butterfat prices may be somewhat lower this summer than last when there was a rapid contraseasonal rise in prices." The Department of Agriculture announced in late March it would support butter prices at a minimum of 36 cents a pound for 92 score, carlot basis, at Chicago, with comparable prices for other grades. The support level theretofore had been 34½ cents.

EGGS: Record

Farmers continue to set new high records in the production of eggs. Total output this month reaches the peak for 1942—a higher peak than ever before. The number of layers on farms this winter was the largest since the late 1920's, the rate of lay was the largest on record. Farm production of eggs in February alone was 15 percent larger than during the same month last year. This was at a rate slightly higher than the egg production goals for 1942.

Apart from the imperative need to increase the production of eggs to meet extraordinary wartime demands, farmers have had good incentive in the price relationships of feed and eggs to produce more eggs this year than last. National average of prices received by farmers for eggs in mid-March was 57 percent higher than at

the same time last year, feed costs were up about 37 percent. Fewer eggs were required to buy feed this March than last.

There were considerably more layers in farm flocks this winter than last, and production per 100 layers was larger. Total production of eggs was larger in practically every State, but the biggest increases were in the North Central States where the weather was unusually mild. About half of all the eggs produced in the United States are laid in the North Central States. Hatchery production of more than 95 million baby chicks in February was a new high record for that month. Advance orders on March 1 were 45 percent larger than on the same date last year. Producers will probably raise 6 to 10 percent more chickens and turkeys this year than last.

SOYBEANS: Loans

A loan and purchase program on 1942 soybeans has been announced by the Department of Agriculture to implement its support of prices at \$1.60 per bushel for yellow soybeans of high-oil content varieties. Loans will be made on farm-stored soybeans, or purchases will be made of soybeans stored in approved warehouses or delivered to designated points.

Base rates at which soybeans will be bought from producers will vary according to class, grade, and quality. Rates for classes I and II (green and yellow) will be \$1.60 per bushel for high-oil content and \$1.50 per bushel for medium-oil content. Rates for classes III, IV, and V (brown, black, and mixed) will be \$1.50 per bushel for high-oil content, and \$1.40 per bushel for low-oil content.

To be eligible for purchase, the soybeans must grade No. 4 or better, must have been produced in compliance with the AAA program, must be owned by the producer, and must not be classed as weevily, musty, sour, heating, or as having any objectionable odor. Grades below No. 2 will be bought on the basis of discounts

generally recognized by the trade. Purchases will be made through June 30, 1943.

Official grain standards of the United States for soybeans will be used in determining the classification for the base rate.

FEED: Strong Demand

Livestock on farms drew heavily on the Nation's feed supply this winter. This was reflected in higher prices for feed of all kinds. Livestock specialists look for a continuing strong demand for feed throughout 1942. The carry-over of feed will be smaller this year than last but much larger than average. Bigger acreages of feed grains will be planted this season but it is unlikely that yields will equal the high records of 1941. If yields are good the supply of feed next winter should be ample for the increased numbers of livestock on farms at that time. Supplies of byproduct feeds next winter will probably be the largest on record.

CATTLE: Increase

Cattle numbers increased about 3 million head during 1941, raising the total of cattle and calves on farms and ranches as of January 1 last to slightly more than the peak number reached in early 1934. Government livestock specialists say that with cattle numbers now the largest on record, marketings for slaughter can increase considerably during 1942 even if numbers increase further this year. Prices of well-finished slaughter cattle improved near winter's end, and a further advance was expected in subsequent weeks.

Despite the increase in the national total, there are many areas of the West where the number of cattle is still considerably below the pre-drought 1934 figures. Barring the recurrence of drought conditions, the tendency to hold back breeding stock may continue for a year or so longer in these areas. In contrast, it is

believed that many farmers in the eastern half of the United States already have about as many cattle as they care to handle.

HOGS: Ceilings

Maximum prices for pork, established by the Office of Price Administration, went into effect on March 23 for a 60-day period. The ceilings on prices of the major pork products are the highest wholesale prices prevailing during the 5 days March 3-7. Hog prices in early March were as high as the peak prices reached in August 1937, and except for that period were the highest since 1926.

Government livestock specialists expect that the seasonal increase in hog marketings this summer will be more pronounced than usual. The total number of hogs on farms at the beginning of 1942 was 60.5 million head, or 12 percent more than on that date last year. On the basis of this and other information, it is expected that 51 to 52 million head of hogs will be slaughtered under Federal inspection during the 1941-42 marketing year (October-September), compared with 48 million head in 1940-41.

EARLY LAMBS: Fewer

Slaughter supplies of sheep and lambs will probably be smaller during late spring and early summer this year than last. The number of lambs remaining on feed in several important feeding areas was substantially larger at the end of February this year than last, but most of these lambs will have been marketed by May. In contrast, the early lamb crop is a little smaller this year than last, and the number of spring lambs marketed before July 1 probably will be smaller than during the same period a year ago. Weather and feed conditions have not been as favorable during the early lambing season this year as last. Last year, these conditions were unusually good.

WOOL: New Clip

The 1942 wool clip will probably be the largest on record for this country. The number of sheep on farms and ranches was 3 percent larger at the beginning of this year than last; an equivalent increase in the clip would mean a total production of about 470 million pounds (greasy shorn and pulled basis) this year, as contrasted with 455 million pounds in 1941. In mid-March the new clip was being contracted in Western States at prices about 5 cents a pound higher than at the same time in 1941. Prices were the highest in 14 years.

A uniform scale of maximum prices, clean basis, by grades for greasy shorn domestic wools, was put into effect by the Government on February 28. The schedule does not fix a maximum price to growers, but "clean" prices are those which correspond to an average price of 37.1 cents a pound for grease wool, the United States average local market price on December 15, 1941. This is the highest of the four prices below which maximum prices for wool cannot be established under the Price Control Act.

Production of wool in 12 Southern Hemisphere countries in the 1941-42 season has been estimated at 2.35 billion pounds, compared with the high record output of 2.36 billion pounds in each of the preceding two seasons. Most of the wool entering international trade is produced in these countries. With most European countries cut off by the war, the United States is now the principal outlet for South American wools.

MOHAIR: Increase

Production of mohair is likely to set a new high record this year, exceeding the 21.8 million pounds estimated for 1941. The 1941 clip was from 4.5 million goats and kids—more than ever before. Production is principally in seven States—Texas, New Mexico, Arizona, Oregon, Missouri, Utah, and

California. The clip yielded producers in these States a total of 12.4 million dollars of cash income last year, compared with 10.5 million dollars in 1940. The corresponding figure for 1939 was 8.9 million dollars.

HEMPSEED: Increase

Farmers are being asked by the Secretary of Agriculture this year to increase the production of hempseed by at least 33 times the 1941 production. Effort is to obtain a substantial domestic production of hemp fiber in 1943 so as to overcome shortages created by a stoppage of imports from the Philippines and Netherlands East Indies. The Commodity Credit Corporation is contracting to purchase at the price of \$8 per bushel of 44 pounds, cleaned basis, hempseed from the 1942 crop.

It is expected that about 350 thousand bushels of seed will be produced for planting for fiber production in 1943. The seed program will be centered in Kentucky, where conditions appear most favorable for gaining the production goals. Little, if any, additional equipment or machinery is needed for handling the 1942 seed program, it is stated.

(Fiber from the American hemp plant is the most satisfactory substitute for abaca, sisal, and hennequen, the three principal hard fibers used for rope and twine. Normally the United States obtains practically all of its abaca from the Philippines, and about one-half of its sisal from the Netherlands East Indies. The remainder of its sisal requirements comes largely from British East Africa.)

POTATOES: Support

A program to encourage growers to plant their full potato acreage allotments in 1942 has been announced by the Department of Agriculture. Prices will be supported by purchases for relief distribution by the Agricultural Marketing Administration and for distribution to low-income families

through the Stamp Plan; through diversion to starch, livestock feed, and other products under AMA programs, and by means of loans or purchases by the Commodity Credit Corporation.

Price support will be provided in each of the major producing areas, at scheduled base prices, for potatoes grading U. S. No. 1 or better, sacked, f. o. b., in carlots. Appropriate price adjustments will be made for marketable potatoes grading 85 percent U. S. No. 1 and for potatoes in bulk and in storage, if it proves necessary to handle bulk or stored potatoes.

The 1942 allotted acreage is regarded as being sufficient to produce the 365 million bushels of potatoes needed to meet normal domestic requirements. To encourage full planting, the regulations provide that producers must plant an acreage equal to at least 80 and not over 110 percent of their allotments in order to qualify for the full ACP potato payment.

The base prices range from \$1 per cwt. for Round Whites produced in Minnesota and North Dakota, to \$2.50 for Bliss Triumphs produced in Texas and Florida. Base for Green Mountains in Maine is \$1.25, and for Green Mountains in New York, \$1.45. Prices of potatoes were higher this winter than last, largely on account of smaller supplies and increased consumer income.

CITRUS FRUITS: Less

Production of citrus fruits is smaller this season than last. Largest decrease is in grapefruit, estimated in March at 41.5 million boxes, as compared with 43 million boxes in 1940-41. Total for oranges is slightly under 84 million boxes, compared with a little more than 84 million last year. The California lemon crop was indicated at 12.8 million boxes, compared with 17.1 million last year.

Commented the Crop Reporting Board: Citrus fruits suffered locally from high winds in Florida and from cold weather in California, but losses do not appear to have been serious ex-

cept for a reduction of 10 percent in prospects for lemons. The total orange and grapefruit crops are expected to be nearly equal to the large crops of last season.

STRAWBERRIES: Increase

Production of early strawberries has been indicated at 2.5 million crates this season, compared with less than 2.2 million in 1941. About 68 percent of the early strawberries will come from Louisiana. Acreage available for picking in the second early States has been indicated at less than 61,000 compared with a little under 63,000 last year.

APPLES: Holdings

Cold storage holdings of apples March 1 totaled 14.2 million bushels, compared with 17.1 million bushels on the same date last year. Included in this year's total were 1.3 million bushels owned by the Federal Surplus Commodities Corporation.

PEAS: Canning

Farmers' intentions reports indicate that about 487 thousand acres of green peas for processing will be planted this year, or about 26 percent more than in 1941. The 1942 goal for canned peas calls for a pack 32 percent larger than the 1941 pack. Possibility is that less than 372 thousand tons will be produced for canning and freezing in 1942, or only 7 percent more than in 1941. Last year the yield per acre was the largest since 1927.

LEND-LEASE: Deliveries

A total of more than 3.7 billion pounds of agricultural commodities was delivered to representatives of the United Nations for Lend-Lease shipment up to February 1. Total cost of these commodities, bought by the Agricultural Marketing Administration and delivered at shipping points since operations started last April, was about 417 million dollars.

Commodities included dairy products and eggs, meat, fish and fowl, fruits, vegetables and nuts, grain and cereal products, lard, fats and oils, other foodstuffs, and nonfoodstuffs. Deliveries of dairy products and eggs were valued at about 131 million dollars; meat, fish and fowl 106 million

dollars; lard, fats and oils 30 million dollars; fruits and vegetables 43 million dollars. A large proportion of the nonfood supplies—including cotton, tobacco and naval stores—was made available for lend-lease operations by the Commodity Credit Corporation.

FRANK GEORGE.

Eighty Hours—and More—on the Farms

NINE to four in reverse will be the farmer's schedule of work hours this year—from 4 in the morning until 9 at night—some 17 hours a day with little time out for meals. There is no reckoning of hours on the farms, there's a job to do and farmers are determined to do it. The Nation needs more food, the biggest quantity of food ever produced in this country. Farmers will produce that food if it is humanly possible to do so.

Government farm management specialists say that the machine power on farms is the greatest in our history, that the production efficiency of farm workers is vastly greater than it was in the days of World War I. But to produce all the food needed this year means hard work. Tractors will be running long after sundown and into the night pulling the implements of land preparation this spring, of cultivation this summer, of harvest this fall. Man and beast—work animals—will be pressed into service as never before.

The imperative need is for bigger production than ever before of oil crops—of peanuts, soybeans, flaxseed. The Nation needs a high record production of dairy products—evaporated milk, cheese, dry skim milk. Big supplies of feed are needed for the large numbers of stock on farms for a record production of milk, meat, and eggs. Cannery tomatoes and peas are wanted in unprecedented volume. Entirely apart from the requirements of a big civilian population, food in abundance is needed by our own and our allied fighting forces on all fronts.

How to get this big job done? For increased efficiency in the use of man and machine power here are some suggestions by two farm management specialists of the Bureau of Agricultural Economics.—Ed.

MOST effective use of labor and equipment has always been one of the toughest problems on the farm. Today both labor and new equipment are less plentiful and must be used still more thriftily if farm production programs are to be fulfilled this year.

In World War I farmers plowed up the virgin soil. They used teams in relays to accomplish more work per

day. It isn't necessary to break the virgin soil this time—there really isn't much more land to break—but farmers can make longer daily use of tractor drawn implements. Animal power once again will make a major contribution to a war effort.

Experience indicates that cooperative ownership of farm implements may be particularly useful among low-

income farmers having medium to small-sized farms. (There were about 6,400 FSA sponsored cooperative machinery services in operation on December 31, 1940. These FSA machinery cooperatives owned nearly 9,500 different pieces of machinery and equipment. Although tractors, plows, and mowers were among the more important pieces of equipment, a wide variety of machinery such as rakes, combines, ensilage cutters, harrows, cultivators, weeders, ditchers, and seeding equipment was included. It is estimated that more than 74,300 farmers used this machinery in 1940, an average of about eight users for each machine.)

CUSTOM work or "hiring out" has long been common for harvesting operations such as combining, threshing, ensilage cutting and the like. It has not been particularly common for other farm operations, but it might well be, especially in operations such as plowing and disking. Both custom work and cooperative ownership allow greater use of many machines adapted to only one operation such as threshing, peanut picking, and hay baling. Machines mounted on rubber are easily moved from job to job and are especially useful in meeting local needs and in extending seasonal use.

Good neighborliness in the exchange of work is a means of making fullest utilization of machinery and labor. Hand labor may be exchanged for tractor plowing or combining, and plowing may be exchanged for harvesting. How many days of labor should be exchanged for a given amount of work by a small combine or some other machine? How much plowing should be done in exchange for harvesting? In areas where custom work is common, fair rates based on considerable experience have been established. For operations involving exchange work that are not common, local committees of farmers can probably suggest fair rates.

Neighbors working together often find that two-man jobs or, on larger farms, crew work can be handled by year-round labor, thus avoiding the need for seasonally hired labor; that by slight changes in dates of planting, cultivating or harvesting, sometimes facilitated by planting earlier or later maturing varieties, they can exchange more work.

A FARMER alone may prepare the land and plant the seed, but at harvest time, more days of labor are needed if extra acreages of crops have been put in. Where adequate harvesting equipment and harvest labor are not available, livestock may be used to harvest and convert part of the crop for market. This is a particularly feasible method of harvesting a portion of the corn crop. On many farms a considerable acreage of hay may be turned directly into beef and mutton production by pasturing—particularly in areas harvesting two or three hay crops.

In eastern areas where corn is produced for grain some farmers have corn harvesters, but on many farms the corn acreage for grain is limited by the acreage that can be cut, shocked, and husked by hand methods. Farmers have been asked to produce about 6 percent more food and fiber this year than was produced in 1941. With a limited labor supply this additional load presents a serious operating problem. This load can be lightened by husking from standing stalks, a practice which has been common in the West for many years, and one that can be adopted to advantage in the East. From standing stalks a man can pick an acre of corn in a day, whereas cutting and husking by hand methods, cribbing the corn and storing the fodder will require 3 days. Picking from standing stalks also allows a relatively long period in which to do the job. But if a farmer has other roughage for feed it is doubtful if the extra labor cost can be offset by the value of the stalks saved.

MANY farmers are optimistic in planning to use new machines to save labor or make work easier. But new machines will be scarce this year. Production of all farm machinery will be smaller this year than last, and no greater supply of new machinery can be expected in 1943. Rubber-tired tractors will not be produced at all after May 1 this year, and many other pieces of equipment will be produced in smaller quantities. This will permit the use of materials for the manufacturing of badly needed milking machines, peanut pickers, pick-up balers, and other vital implements.

Farm mechanization has increased materially in recent years. It is estimated that production per worker now averages about 30 percent more than during World War I. We have a large proportion of relatively new machines on hand. For example, over 60 percent of our tractors are less than 5 years old. Add to this the fact that repair parts are being produced at 150 percent of the 1940 level and it appears that we will be able to maintain present inventories for the immediate future.

One way of relieving the pressure on the available supply of farm machinery is to dig over the farm junk pile. Probably most of this junk should make its way off the farm and into vital war production, but many discarded parts can be used to advantage to fix up pieces of farm machinery requiring repairs. In the present emergency, used farm machinery parts may be used to relieve the shortage.

SOME farm machinery not in use may be put into the hands of people who need it. In the past few years, much tractor-drawn equipment has replaced horse-drawn implements. Much of this horse-drawn equipment and some outmoded machines are still on farms. If they are sold and moved now to areas where they will be put into use, the pressure for new machin-

ARE FARM WAGES TOO HIGH?

Farm wages are rising—as they always do in time of extraordinary agricultural and nonagricultural production, of rising prices, and increasing competition for labor. Agricultural economists tell us that to date in World War II the rise in farm wages has been “in fairly normal relationship to the factors bearing upon wages,” but that by 1943 farm wage rates may become “relatively high.”

Even in this year 1942 there may be instances—especially in areas of new or increased industrial production—where the higher wages of farm workers will cut into rising farm income. And by 1943, the economists say, this situation may become fairly general—that farm wages will take a still larger part of increased farm income.

We make out of all this that farm wages may rise relatively more than the income of farm operators a year hence; in short, that farm operators will then be sharing with hired farm workers a larger part of their increased cash income. But that despite the increased wages the net income of farm operators will be larger in 1943 than in 1942.—Ed.

ery and parts may be relieved to some extent. Farmers who keep their equipment in tip-top condition and who get maximum service from it, are helping themselves and rendering a service to all of our people.

Farm boys and other skilled farm laborers going into the armed service or other employment will be replaced by less experienced farm help. With less efficient help, greater wear and tear of farm machinery should be expected. This emphasizes the need

for keeping farm machinery in good condition.

By continuous effort, machines probably can be kept in working condition, but there is still the problem of maximum use. Farm equipment can be worked more hours per day and more days a year. (A recent study shows that general-purpose tractors are used an average of about 50 days a year. At this rate of use, depreciation and interest on the investment constitute about 50 percent of the total cost of operation. During the time the tractor is not used, depreciation and interest charges go on just the same. Tractors as well as other items of farm machinery cost less per day of use if worked more days in the year. If tractors were used twice as much as they are at present, the cost per day would be about one-fifth less. On small farms the opportunity for

custom work may be one means of using tractors more economically.)

MANY of the practices suggested are being used now by farmers and groups of farmers. With the resulting efficiencies in labor and machine use, few year-round shortages are likely. However, it is still probable that acute shortages of labor and machinery may develop at harvest time in areas where production is being greatly increased or where defense employment has depleted labor supplies. In these situations, plans for remedying the shortage must be made before the crisis occurs. Farmers foreseeing such shortages should report them immediately to their War Boards so that precautionary steps may be taken.

R. S. WASHBURN.

R. C. TETRO.

Tomatoes for War

THE tomato, once an obscure plant, is now the most valued commercial truck crop produced in the United States. It is especially valued this year for its food content for our fighting forces on all fronts. The Federal Government has set up a production goal of 40 million cases of canned tomatoes for 1942, as compared with little more than 31 million cases produced in 1941. In addition, considerable quantities of tomato juice, soup and other products will be produced. Ordinarily about 40 percent of the processing crop is utilized for canned tomatoes, 15 percent for juice and 5 percent for pulp, the remaining 40 percent being used for soup, catsup, paste and numerous other products. Farmers will try to produce all the processing tomatoes needed this year, but difficulties may be experienced in getting the tomatoes picked and then canned.

The Department of Agriculture has

announced that it will buy from certified canners all quantities of 1942 canned tomatoes offered to it through December 31, 1942 at 95 cents per dozen No. 2 cans, f. o. b. cannery, for U. S. Grade C. To obtain certification, canners must be approved by U. S. D. A. State War Boards as having agreed by contract to pay growers at least the minimum price applying to their particular locality. The present program does not provide for tomatoes not grown under contract.

ALTHOUGH tomatoes for processing are grown in more than 36 States, 8 States grow about four-fifths of the crop. Leading producing States are California (614,200 tons in 1941), Indiana (564,000 tons), Maryland (279,500 tons), New Jersey (265,700), Ohio (213,800), New York (167,200), Pennsylvania (150,400), Virginia (91,600). States growing lesser quantities include Illinois, Michigan, Iowa, Mis-

souri, Delaware, Kentucky, Tennessee, Arkansas, Colorado, and Utah. Production has increased in practically all States except Kentucky, Missouri, and Delaware during the last 20 years.

Besides the 620 thousand acres of processing tomatoes that will need to be planted to meet the production goal, about 300 thousand acres of tomatoes will be grown for the fresh market. Tomatoes for fresh market are produced in almost all parts of the United States. Leading producing States are California (5 million bushels in 1941), Texas (3.2 million bushels), Florida (2.8 million bushels), New York (2.6 million bushels), New Jersey (2.1 million bushels), Maryland (1.2 million bushels). Other important States producing for the fresh market include Georgia, Louisiana, Mississippi, Colorado, Indiana, Michigan, Pennsylvania, Arkansas, Illinois, Missouri, North Carolina, Ohio, Tennessee, and Virginia. Total production for fresh market has more than doubled in the last 20 years. Improved transportation facilities have made possible the winter shipment of fresh tomatoes from the South and California to the large northern markets. Consequently, production increases have been greatest in these areas.

TOMATOES in both fresh and canned form are important in the dietary of our fighting forces but canned tomatoes are used more than fresh tomatoes. The army garrison ration prescribes 2 ounces of canned tomatoes per soldier per day, or 45 pounds per year. No direct allowance is made for fresh tomatoes, although these may be substituted for canned at the rate of 4 ounces of fresh tomatoes per soldier per day for each 2 ounces of canned tomatoes. Average yearly per capita consumption in the United States is about 9 pounds of canned whole tomatoes, tomato juice, and pulp. Consumption of fresh tomatoes for the urban population is about 17 pounds per capita.

Canned tomatoes also figure importantly in the food requirements of our Allies; substantial quantities are required for lend-lease shipments abroad. As a source of pure water and vitamin C, and as a food easily prepared and blendable with other foods, canned tomatoes are invaluable for use in bombed areas, in the trenches, and on shipboard.

WILLIAM KLING.

Soybeans for Oil in 1942

(As this issue of THE AGRICULTURAL SITUATION goes to press, information is received that although "there are millions of bushels of soybeans in storage on the farms and elsewhere, a number of mills are closed down for want of beans to crush. If this condition continues, the industry will experience its first carry-over—this in the face of the biggest coming crop in American soybean history. Facilities are adequate for crushing the 1941 crop, but it is reported that beans are being held for better prices, and mills complain that margins are too narrow for profitable operation. In addition, when warm weather comes many soybeans now in storage may deteriorate

rapidly, because the beans were not in good condition when they went into storage last fall."—Ed.)

THE American produced soy bean is playing its first major role in a United States war effort. For the first time its full value for food, direct defense, and commercial uses are being recognized. In this country soybeans produced for oil were of little importance during World War I; indeed, the quantity of oil produced was not enough at that time to warrant the gathering of production data. In 1924, the first year for which accurate figures are available, this country raised

1,782,000 acres of soybeans, the bulk of them in the South where soybeans have long been a major hay crop. Less than 5,000,000 bushels were harvested for seed, feed, and for crushing purposes; the quantity crushed produced 2,686,000 pounds of oil.

Soybean oil production increased steadily, but not rapidly during the next 10 years and totaled only 26,196,000 pounds. Since 1933 the expansion of soybean oil production has been phenomenal. During the current season (1941-42) it is estimated that 5,855,000 acres of soybeans were harvested for beans, with a production of 106,712,000 bushels. About 77 percent of this quantity will be crushed to produce approximately 736,000,000 pounds of soybean oil.

Production goals set up by the Department of Agriculture on September 15, 1941 called for an increase to 7,000,000 acres of harvested soybeans in 1942. After Pearl Harbor these goals were revised upward to 9,000,000 acres, with an estimated production of 1,125,000,000 pounds of oil. In addition to the oil produced, it is expected that large quantities of high-protein meal will be obtained as an effective aid in expanding livestock and dairy production and also for use as human food.

A LARGE part of the annual soybean crop crushed for oil is grown in the Middle West; the proportion this year will probably reach 90 percent. Production centers in Illinois, with an estimated one-half or more of the beans to be crushed. Iowa, Indiana, and Ohio also are important soybean producing States. North Carolina is the leading Southern producing State, followed by Arkansas, Mississippi, and Louisiana.

The Southern area will be looked to for expansion this year. While mill capacity is available for crushing the beans many Southern farmers will be handicapped because sufficient seed of varieties of high oil content adapted to Southern climatic and soil condi-

tions will not be available. In some instances less well adapted kinds must be substituted. Many Southern farmers also do not have suitable farm equipment for soybean production; and marketing facilities generally have not been sufficiently developed in the South.

The Middle West also will be looked to for big increases this year. But here, in contrast with the South, the climate, soil, cropping systems, and varieties are unusually favorable for expansion. Farmers in the Mid-west have had considerable experience in growing soybeans, and for the most part they have the needed equipment for increasing production. But they will need some additional storage and mill capacity.

Direct war needs for strategic and critical metals must be the criteria used in determining how additional soybean crushing capacity may be provided. Since the extremely urgent immediate need for military equipment is obvious, methods requiring little or no metal should be explored before new mills are constructed. The most effective use of metal in the over-all war effort must always be the deciding factor. With these limitations it has been suggested: (1) That every effort be made to obtain maximum volume and operating efficiency from existing plants; (2) that surplus soybeans be crushed on copra, flaxseed, or cottonseed oil mills which have unused capacity; (3) that existing mill capacity be expanded by adding new or used expeller or mechanical press equipment; (4) that new plants be built even though metals are scarce.—There are many pros and cons to each of these suggestions.

I

A determined effort to obtain maximum capacity from existing equipment should yield substantial results. Some equipment can be rebuilt and operations speeded up. The capacity of mills not now efficiently operated

and in poor repair can be greatly increased. Steps should be taken to see that mills have beans to crush at all times. The soybean processing industry has pledged itself to mutual assistance looking toward the handling of maximum volumes.

II

Soybeans may be shipped from surplus producing areas such as Iowa to existing copra, flaxseed, and cottonseed oil mills having unused capacity. This would make it possible to utilize existing facilities more fully, and would require little new construction. Fuller utilization of facilities would reduce per unit operating costs. Unfortunately most copra and cottonseed, and some flaxseed oil mills, have had little or no experience in crushing soybeans and are often not properly equipped to process or to store the beans; moreover, most cottonseed oil mills are equipped with hydraulic presses which ordinarily recover about 1 pound less oil from a bushel of soybeans than is obtained by expeller mills, and 3 pounds less than can be obtained when the solvent extraction method is used. In addition, the hauling of beans to cottonseed oil mills and the return haul to consuming areas of a large part of the meal and oil, would further tax already overburdened transportation facilities. In an emergency, however, these mills could be used to handle a large volume of soybeans.

III

The expansion of mills now using the expeller or mechanical press has its desirable features. The addition of one modern expeller press will increase the annual crushing capacity of a mill by about 200,000 bushels. A number of these presses could be added to the existing facilities of many companies without requiring additional building construction or supplementary equipment such as dryers and conveyers. The manufacture of new expeller equipment is, however, greatly re-

stricted at this time because of shortages of certain alloy metals now needed in direct war efforts.

As an alternative to adding new machinery, some used expeller or mechanical press equipment which may now be idle in the copra and cottonseed mills could be moved to soybean mills in midwestern areas where crushing capacity is inadequate. Each expeller thus moved would obviate the necessity of transporting around 200,000 bushels of soybeans to mills in other areas and the return haul of a large part of the soybean meal and oil to consuming markets. However, the moving of such equipment from existing mills would present numerous difficulties, including the use of metals in the reworking and adapting of such equipment to the handling of soybeans. The compensation of mills releasing a portion or all of their facilities would also be a problem.

IV

If other measures seem inadequate, a limited quantity of scarce material could be used for new plant construction. Should new mills be constructed this year or next, processors are quite generally agreed that the mills should be of the solvent extraction type. In this process the oil is recovered from the soybean by use of hexane, a highly volatile chemical solvent. By use of the solvent process roughly 11 pounds of oil can be obtained from the average bushel of high quality midwestern soybeans compared with 9 pounds for the expeller or mechanical press and 8 pounds for the hydraulic press. Although more metal is needed to construct a solvent extraction mill than the other type mills, the metals used are largely nonalloy, which are now relatively less scarce and require less machine tool work.

NUMEROUS and complex factors in the over-all war picture will govern decisions as to whether metals can be allocated for the construction of additional processing plants to

produce the vegetable oils needed for certain military and for civilian uses. If metal cannot be spared for the construction of new plants, it will be necessary to handle the maximum volume of beans with the use of existing facilities with the least possible metal consumption for repairs and adjustments. If some additional expansion is considered desirable every pound of metal for new construction will be used in such a way as to provide a maximum output of oil. In any

event all possible facilities which can be provided under the present emergency will be enlisted to assist in processing the 1942-43 soybean crop. With base prices which farmers will receive for soybeans already established at \$1.60 per bushel for high-oil content varieties the production of 9,000,000 acres of soybeans during the 1942-43 season can be assured.

OMER W. HERRMANN,
Farm Credit Administration.

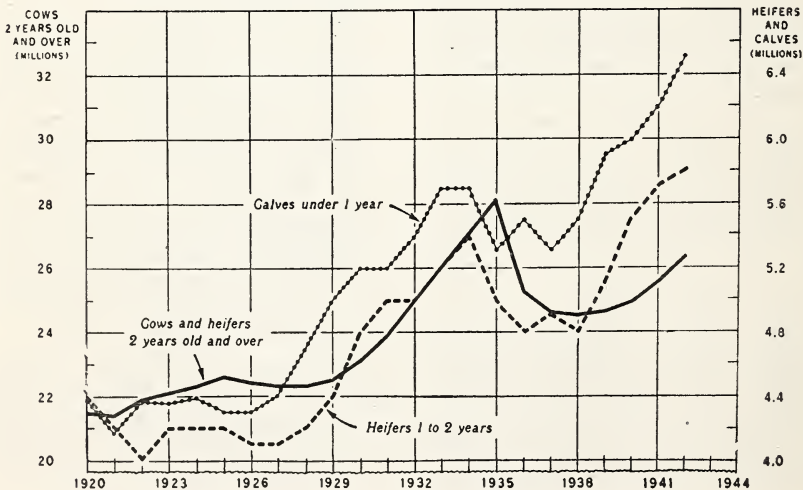
More Cows on Farms

LOOK for a further increase in the number of milk cows on farms this year and next, say Government dairy specialists, pointing to the trends on heifers and calves in the accompanying chart. Droughts and a shortage of feed played havoc with the dairy industry during the years 1934 to 1937, but for nearly 5 years now the dairymen have been saving large numbers of heifers, and the number of milk cows has increased sharply. There are enough cows on farms now to yield an increase of 3 percent in the production of milk this year over last,

but the production goals for 1942 call for an increase of 8 percent in milk production. To reach these goals will require unusually good pasturage this spring, and supplemental feeding this summer.

Agricultural economists say that the cow herds have been expanded because of the unusually high prices of milk cows in relation to the general level of prices of farm products since 1930, and more recently because of the unusually high prices of milk and dairy products. They expect a further expansion in cow herds during the next few years;

NUMBER OF COWS, HEIFERS, AND CALVES BEING KEPT FOR MILK
COWS, UNITED STATES, JAN. 1, 1920-42

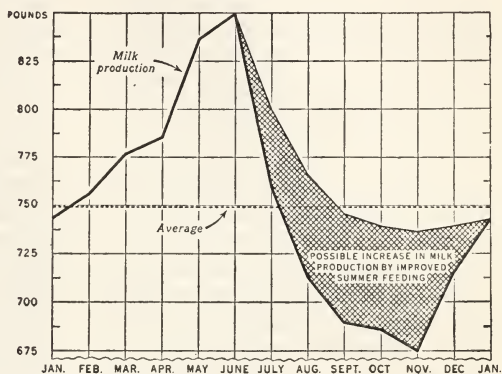


indeed, it is pointed out that the number of milk cows during this period will probably increase somewhat faster proportionately than the number of people in this country. Milk cows

were priced at an average of \$71.67 a head in 1941, compared with \$61.03 in 1940. The 1941 figure was the highest in 11 years.—F. G.

That Summer Slump

THE United States needs billions of pounds more milk in 1942 than in 1941. But in the chief dairy regions of the country, there has always been a serious decline in the production of milk as the summer season advances. The peak of production comes in the Spring, shortly after the cows are turned out to pasture. After only a month or so, production starts to slump until the low is reached—sometime between October and December.



This slump can be lessened. Recent studies by the Department of Agriculture show that about half, and in some States more than half, of the summer and fall drop in milk production can be avoided by better feeding. The avoidable loss in production is shown in the shaded part of the accompanying graph.

The thing to do immediately, it appears as a result of the study, is to feed concentrates at a heavier rate than ever before. An additional 2 to 3 pounds fed each day will go a long way toward preventing the slump, bringing about a gradual change to the winter level of production. Given sufficient time, the dairy farmer can also meet the problem by providing more and better roughage.

ASSUME that some permanent pasture is to be used for the dairy herd. Most farms have land well adapted for pasture but not for cropping. Granted some permanent pasture, what are the specific adjustments in feeding and management practices

needed to beat that summer and fall slump?

One way is to provide pasturage for use after the flush season of permanent pasture has gone. In the North, this pasturage may be oats at first, followed by a pasturage of Sudan grass or millet or a mixture of the two. A third pasture may be provided later by the aftermath of the hay fields. Alfalfa and first-year sweetclover are also useful for this purpose. And then of course—the permanent pasture may be resorted to at times throughout the season when the growth permits.

The need for supplementing permanent pastures is not so acute in the South as in the North. This is because some of the South's best pasture plants—Bermuda grass, Dallis grass, and lespedeza, reach their flush season in the summer rather than in the spring.

Another way to maintain production is to increase the acreage of hay. The additional hay crop can then be put up as grass silage for summer feeding. The milking cows should be fed the grass silage regularly throughout

the season following the flush of permanent pastures.

THERE are advantages and disadvantages to this system of making silage from the hay crops ordinarily grown on the farm. The chief advantage is that no shortage of feed exists at any time. Another advantage is that special crops need not be raised, which means that a regular rotation of the crops found best for the particular soil and climate can be followed. Still another item on the credit side is that the cows are more comfortable in a shady lot than in a pasture during hot weather, and they are spared the labor of grazing.

On the debit side is the fact that silage for summer feeding is not so well adapted to small herds as to herds of medium-to-large size. To feed the silage to small herds fast enough to prevent its spoiling, the silo may have to be so small in diameter as to be impracticable. But the leading objection to this system of silage feeding is that labor is needed to put up and feed the silage, as well as to remove the manure. This is not as much of a disadvantage as it might seem. Harvesting the feed with modern machinery may pay bigger dividends than harvesting by grazing. Stated another way, cow labor may be more costly than man labor. Man can employ labor-saving devices, but cows must pay in feed for the effort they put forth to graze.

True, keeping cows in a barn or lot means more man hours are required to collect and haul the manure. But it also means that manure is used much more efficiently. On the one hand, much of the manure in the pasture is voided around the gates and in the shade of trees where it does little good. On the other hand, the manure from the barns or lots that is hauled to the field can be distributed evenly where it is most needed. This means better

crop yields, which would help pay for the extra labor involved.

WE CAN change feeding and management practices. We cannot change the weather. But it is possible to lessen the depressing effects of hot weather upon the cows. They can be put to pasture at night, or during the cooler part of the day. At all other times, they can be kept in a barn or shady lot. Every effort should be made to keep the barn cool. It should be built so that the doors, windows, and even the sides may be opened to the breezes.

This much is certain: That any method of feeding or management that will lessen the summer slump in milk production is likely to be more expensive than the steady use of permanent pastures only. But in view of the outlook for a favorable market for dairy products in the years ahead, improved feeding practices are almost sure to be more profitable now than they have been for some time. All dairy farmers should be advised that they can best serve their country by feeding their cows the last pound of grain on which they can still make a profit.

FARM POWER: Up

The farms this year will be equipped with more motive-power machines than ever before. January 1 total was 7.0 million units: 1.8 million farm tractors, 4.2 million farm automobiles, and 1.05 million motortrucks. At the beginning of World War I there were few power machines on the farms. Practically all of the power used for field work, and for farm transportation was supplied by about 26 million head of horses and mules. Prior to World War I the annual consumption of motor fuel by farmers was little more than 100 million gallons. In 1940, farmers used 30 times this quantity.

Ballots on Wheat Marketing Quotas

ON May 2 United States wheat growers for the second time will vote on a marketing quota system—this time on the 1942 crop. A year ago—on May 31, 1941—more than half a million wheat farmers participated in their first marketing quota referendum. They approved quotas for their 1941 crop by a favorable vote of 81 percent. A two-thirds majority is required for approval.

The 1942 quota was proclaimed by the Secretary of Agriculture last July, acting in accordance with the law which requires that wheat marketing quotas must be established for any marketing year in which it appears that the wheat supply will exceed a normal year's domestic consumption and exports by more than 35 percent. Our 1942 supply is far above this figure.

If two-thirds or more of the farmers voting in the May 2 referendum approve, wheat will continue this year to be marketed under quotas the same as cotton, tobacco, and edible peanuts. All farmers who have planted more than 15 acres of wheat or whose normal production of the acreage planted to wheat is 200 bushels or more will be eligible to vote.

THE quota program proclaimed for the 1942 crop is virtually the same as that in operation for the 1941 crop. The penalty for marketing excess wheat is set at 50 percent of the basic loan rate offered cooperators. An amendment provides that a farm's minimum wheat marketing quota is the normal production of the wheat acreage allotment. As a result, wheat stored to postpone penalty payments may be released free of penalty by the amount of (1) the normal production of the numbers of acres by which the farm acreage allotment is underseeded or (2) the amount by which the actual production of a subsequent

crop is less than the normal production of the farm acreage allotment.

Because of huge stocks of wheat on hand and the size of the new crop—expected to be virtually a two-year supply on July 1, 1942—wheat marketing quotas are more necessary than ever this year in order to coordinate most effectively the United States wheat industry with other aspects of the Food for Freedom Program. Unlike the situation in World War I we have plenty of wheat on hand for any conceivable immediate need. The drive for increased farm production this year is not to expand wheat production further but to expand the production of other commodities—such as dairy, poultry, and meat products, vegetables, and oil crops.

MARKETING quotas give strength to AAA acreage allotment and commodity loan programs, both of which are vital to a strong wartime wheat industry. According to law, loans cannot be made available in any marketing year in which quotas are voted down. Marketing quotas not only help secure orderly production but also insure orderly transportation and storage—both of which are paramount this year because so much depends on the efficient use of our entire economy in carrying on the war. Here are some of the ways in which quotas assist during wartime:

1. Quotas provide for an organization of supplies so that transportation systems will not be clogged.

2. They make possible more efficient use of storage facilities, now so valuable to the food program.

3. They aid in directing wise and efficient production, rather than dissipating it on things that are not needed at present.

4. They help maintain a strong wheat structure for production of wheat as it is needed and at fair prices.

5. They help maintain soil resources for continuing production of wheat.

6. They help alleviate the situation caused by virtually complete lack of export outlets.

7. They help divide the responsibility for adjustment among all wheat farmers equally, cooperatively and democratically.

SECRETARY OF AGRICULTURE Claude R. Wickard pointed out these same facts a short time ago when he announced the May² referendum date. He said:

American agriculture is embarking on the largest and most comprehensive food production program the world has ever seen. To obtain this production, our entire agricultural effort must be expanded in such a way that no waste of human labor, machines, and material will occur in needless production of farm goods that already exist in plentiful quantities. Wheat farmers through the Ever-Normal Granary have provided plentiful reserves. Without producing a bushel this year, we have enough on hand to supply all of our anticipated needs both at home and in foreign outlets well into 1943.

Raising excessive wheat wastes productive effort of farmers, disrupts transportation, and clogs storage facilities that are already filled to capacity. We must provide for orderly handling of our wheat reserves, and at the same time democratically divide the responsibility for this orderly handling among all the Nation's wheat farmers.

IN REVIEWING our domestic wheat situation, it must be emphasized again that we have enough wheat on hand to take care of all conceivable domestic needs. Forecasts for 1942 indicate that our wheat crop will exceed domestic consumption by nearly 150 million bushels—which will be added to our already tre-

mendous reserve. This would result in an estimated carry-over of 753 million bushels on July 1, 1943—a carry-over bigger than many annual harvests.

Export outlets of any quantity are not in sight; so the possibility of whitening our reserve through foreign trade is extremely limited. Even with a sudden end to the war and a restoration of normal shipping, an unforeseen eventuality, our reserves are big enough to fill all likely demands until later crops. Some wheat, of course, will be put to use in new Government diversion programs, being converted into alcohol or used as livestock feed. But this will make only a very small nick in the total supply.

We are not the only Western Hemisphere wheat-producing nation to face this tight situation. Canada and Argentina are in somewhat similar position, having much more wheat for sale than markets can accept.

IF WE should try to get by without wheat marketing quotas this year, one of the gravest dangers would be to our storage facilities. Available space will be even more limited than it was in 1941. We thought we had a big carry-over back in 1932—but the carry-over of about 630 million bushels on July 1, 1942, will be about 250 million bushels greater. This means that storage will have to be stretched to the limit to absorb this year's crop. Limited building supplies will prevent the construction of much additional terminal storage, but there is some possibility that farm storage can be expanded.

These figures give an idea of the "above average" size of our wheat stocks at present: On January 1, 1942, wheat stocks on farms were 93 percent higher than the 1935-40 average. Supplies in country mills and elevators were 207 million bushels on the same date, as compared with the 1935-40 average of around 100 million bushels. Terminals had 270 million bushels of wheat, which is 177 percent over the 1935-40 average. Merchant mill storage was 24 percent over average.

Storage was taxed to capacity in

handling a large 1941 crop and a carry-over of 385 million bushels. The problem will be much more difficult this year with the largest carry-over in history and indications of a crop of nearly 800 million bushels. I sincerely believe that the wheat market-

ing quota referendum gives farmers the best possible opportunity to continue as masters of their own wheat production and reserves.

FRED S. WALLACE, *Chief,*
Agricultural Adjustment Agency.

DEBT: Reduction

Federal land bank records indicate that many farmers are using their larger income this year to reduce their farm mortgage debt. Reports to the Farm Credit Administration also indicate that farmers generally are using more short-term production credit than in recent years. Besides retiring debts in full, many borrowers have swollen the "rainy day" fund by approximately 4 million dollars during the past year.

"This fund," explains A. G. Black, Governor of the FCA, "represents money sent to the banks to be held for application at some future date to the retirement of part of the loan or to pay interest. Some borrowers have deposited enough to take care of several instalments and thus have built up their feeling of security. The banks pay the borrowers the same rate of interest on these future payments as

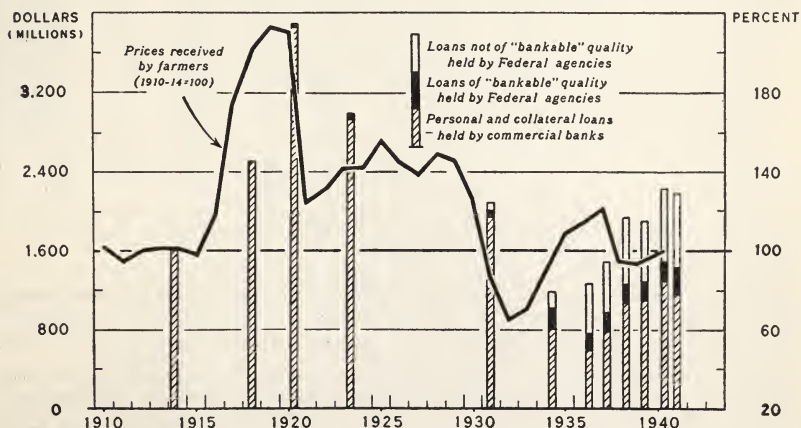
the borrowers pay the banks on their loans."

Of interest, too, is an FCA report that "farmers' repayments in 1941 on emergency crop and feed loans exceeded by some 4.8 million dollars the amount they borrowed." Many of the payments were on loans made 4 to 20 years ago. Emergency crop and feed loans—limited to \$400 per individual—are made only to those who cannot qualify for credit from such regular sources as production credit associations.

CROP INSURANCE: Wheat

Wheat production on 500 thousand farms—a new high record—has been insured for 1942 by the Federal Crop Insurance Corporation. This is the fourth consecutive year of increase. The farms insured in 1942 represent more than 30 percent of all wheat farms in the Nation.

SHORT-TERM LOANS TO FARMERS HELD BY COMMERCIAL BANKS
AND FEDERAL AGENCIES, AND INDEX NUMBERS OF
PRICES RECEIVED BY FARMERS, 1910-41



Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 = 100) ¹	Income of industrial workers (1935-39 = 100) ²	Cost of living (1935-39 = 100) ³	Whole- sale prices of all com- modi- ties ⁴	1910-14=100			Farm wages	Taxes ⁵
					Prices paid by farmers for commodities used in ⁶				
					Living	Produc- tion	Living and pro- duc- tion		
1925	90	126	125	151	164	147	157	176	270
1926	96	131	126	146	162	146	155	179	271
1927	95	128	124	139	159	145	153	179	277
1928	99	127	123	141	160	148	155	179	277
1929	110	134	122	139	158	147	153	180	281
1930	91	110	119	126	148	140	145	167	277
1931	75	85	109	107	126	122	124	130	254
1932	58	59	98	95	108	107	107	96	220
1933	69	61	92	96	109	108	109	85	188
1934	75	76	96	109	122	125	123	95	178
1935	87	87	98	117	124	126	125	103	180
1936	103	100	99	118	122	126	124	111	181
1937	113	117	103	126	128	135	130	126	186
1938	89	91	101	115	122	124	122	125	183
1939	108	105	99	113	120	122	121	123	186
1940	123	119	100	115	121	124	123	126	183
1941	156	163	105	127	133	133	133	147	---
1941—March	147	141	101	119	124	125	124	---	---
April	144	142	102	121	---	---	124	138	---
May	154	157	103	124	---	---	125	---	---
June	159	167	105	127	129	128	128	---	---
July	160	173	105	130	---	---	130	160	---
August	160	174	106	132	---	---	133	---	---
September	161	177	108	134	136	135	136	---	---
October	163	178	109	135	---	---	139	165	---
November	166	180	110	135	---	---	141	---	---
December	167	187	110	137	143	141	142	---	---
1942—January	171	196	112	140	---	---	146	166	---
February	173	192	113	141	---	---	147	---	---
March ⁷	---	---	---	142	---	---	148	167	---

Year and month	Index of prices received by farmers (August 1909-July 1914=100)							Ratio prices received to prices paid	
	Grains	Cotton and cotton- seed	Fruits	Truck crops	Meat ani- mals	Dairy prod- ucts	Chick- ens and eggs		
1925	157	177	172	153	140	153	163	156	99
1926	131	122	138	143	147	152	156	145	94
1927	128	128	144	121	140	155	144	139	91
1928	130	152	176	159	151	158	153	149	96
1929	120	144	141	149	156	157	162	146	95
1930	100	102	162	140	133	137	129	126	87
1931	63	63	98	117	92	108	100	87	70
1932	44	47	82	102	63	83	82	65	61
1933	62	64	74	105	60	82	75	70	64
1934	93	99	100	103	68	95	89	90	73
1935	103	101	91	125	118	108	117	108	86
1936	108	100	100	111	121	119	115	114	92
1937	126	95	122	123	132	124	111	121	93
1938	74	70	73	101	114	109	108	95	78
1939	72	73	77	105	110	104	94	93	77
1940	85	81	79	114	108	113	96	98	80
1941	96	113	92	145	146	131	122	122	92
1941—March	84	82	83	145	129	118	90	103	83
April	90	88	89	161	137	121	104	110	89
May	93	98	89	146	138	124	107	112	90
June	66	107	97	146	144	126	118	118	92
July	98	121	93	130	154	132	127	125	97
August	99	128	100	133	158	135	130	131	98
September	106	150	89	145	166	140	141	139	102
October	101	144	107	164	157	145	146	139	100
November	103	136	98	147	151	148	157	135	96
December	112	138	98	162	160	148	153	143	101
1942—January	119	143	102	204	166	148	147	149	102
February	121	150	98	161	175	147	135	145	99
March	122	151	111	136	182	144	130	146	99

¹ Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.

² Adjusted for seasonal variation. Revised November 1941.

³ Bureau of Labor Statistics.

⁴ Bureau of Labor Statistics index with 1926=100, divided by its 1910-14 average of 68.5.

⁵ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are interpolations between the successive quarterly indexes.

⁶ Index of farm real estate taxes per acre. Base period represents taxes levied in the calendar years 1909-13, payable mostly within the period Aug. 1, 1909-July 31, 1914.

⁷ Preliminary.

NOTE.—The index numbers of industrial production and of industrial workers' income shown above are not comparable in several respects. The production index includes only mining and manufacturing, the income index also includes transportation. The production index is based on volume only, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income, since output can be increased or decreased to some extent without much change in the number of workers.